

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



January 12, 2005

Regulation Package #0803-20

CDSS MANUAL LETTER NO. FS-04-08

TO: HOLDERS OF THE FOOD STAMP MANUAL, DIVISION 63

**Regulation Package #0803-20****Effective 7/9/04****Sections 63-503, 63-504 and 63-505**

This manual letter has been posted on the Office of Regulations Development website at [http://www.dss.cahwnet.gov/ord/FoodStamps\\_618.htm](http://www.dss.cahwnet.gov/ord/FoodStamps_618.htm).

On May 1, 2003, the Food and Nutrition Service released United States Department of Agriculture Administrative Notice (AN) 03-23, transmitting the final rule on Anticipating Income and Reporting Changes. This Rule, published in the Federal Register Vol. 68, No. 82 dated April 29, 2003, finalizes provisions of a proposed rulemaking first published on December 17, 1996. The requirements of the regulatory provisions, in 7 CFR Part 273, that the State will be implementing are as follows: 1) The current requirement that change reporting households report a change of more than \$25 in monthly gross income will be increased to more than \$50 for unearned income and to more than \$100 for earned income, and 2) a technical amendment addressing procedures for the handling of certain recurring income in a retrospective budgeting system.

These regulations were heard at the August 28, 2004 public hearing.

**FILING INSTRUCTIONS**

**All new revisions are indicated by a vertical line in the left margin. Revisions shown in graphic screen will continue to be shown in that manner until new revisions are done to those pages.** The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing Food Stamp Manual changes was FS-04-07.

**Page(s)****Replace(s)**

315.1 and 315.2  
370  
374.1 and 374.2

Pages 315.1 and 315.2  
Page 370  
Pages 374.1 and 374.2

Attachments

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<b>63-503</b>	<b>DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS</b>	<b>63-503</b>
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(Continued)

| (MR) Certified Monthly Reporting Households Applying for Aid in a New County

| (QR) Households Losing County Residence

| .91 Section 63-503.91(MR) shall become inoperative and Section 63-503.91(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

| (MR) The applications of households which were certified for Food Stamp Program participation in one county or state and which move to another county or this state and apply for benefits without at least a one-month break in certification, shall be treated as initial applications, except they shall continue to be retrospectively budgeted, as specified in Section 63-504.711. Households which have requested and are entitled to expedited service shall have their benefits available in accordance with Section 63-301.531(b).

| (QR) The applications of change reporting food stamp households which were certified for Food Stamp Program participation in one county and which move to another county and apply for benefits, shall be treated as initial applications, except they shall continue to be retrospectively budgeted, as specified in Section 63-504.711. Households which have requested and are entitled to expedited service shall have their benefits available in accordance with Section 63-301.531(b).

| .911 Section 63-503.911(MR) shall become inoperative and Sections 63-503.911(a) and (b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

| (MR) Households which were subject to retrospective budgeting in the previous county or state shall continue to be retrospectively budgeted, unless the household is now excluded, as specified in Section 63-505.21.

| (QR) (a) For households that are subject to QR/PB and move out of state, benefit shall be terminated mid-quarter.

63-503	<b>DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS</b> (Continued)	63-503
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(QR) (b) For QR/PB households that move out of county, the CWD shall continue to follow existing rules which require the recipient to be discontinued from the former county of residence and reapply in the new county, except when there is a companion CalWORKs case that is being transferred, the former county will continue to provide benefits until the end of the month in which the CalWORKs case is transferred from the former county in accordance with Section 63-509(c)(2). The new county shall assign a new QR reporting cycle to the household.

.912 The CWD shall assist all households, as specified in Sections 63-103.21(i)(8) and 63-300.55, in obtaining any missing verification which the household had provided to the county or state in which the household was previously certified.

NOTE: Authority cited: Sections 10553, 10554, 10604, 11265.1, .2 and .3, 11369, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 271.2; 7 CFR 272.3(c)(1)(ii); 7 CFR 273.1(b)(2)(iii), (c)(3)(i), (ii) and (e)(1)(i) as published in the Federal Register, Volume 59, No. 110 on June 9, 1994; 7 CFR 273.2(j)(4); 7 CFR 273.4(c)(2), (c)(2)(i), (c)(2)(i)(A), (c)(2)(iv), (c)(2)(v), (c)(3)(v), and (e)(1) and (2); 7 CFR 273.9(b)(1)(ii), (b)(2)(ii), and (d)(6)(iii)(F); 7 CFR 273.10; 7 CFR 273.10(a)(1)(iii)(B); 7 CFR 273.10(c)(2)(iii), (c)(3)(ii), proposed amended 7 CFR 273.10(d) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (d)(1)(i), (d)(2), (d)(3), (d)(4), and proposed (d)(8) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and proposed amended 7 CFR 273.10(e)(1)(i)(E-H) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.11(a)(1)(i) through (iii), (a)(2)(i), (b)(1), (b)(1)(i) and (ii), (c), (c)(1), (c)(2), (c)(2)(iii), (c)(3)(ii), (d)(1), and (e)(1); 7 CFR 273.12(a)(1)(i)(A), (a)(1)(i)(B), (a)(1)(i)(C)(2), and (c)(3)(iv); 7 CFR 273.21(f)(2)(ii), (iii), (iv), and (v), (g)(3), (j)(1)(vii)(B), and (S); 7 CFR 273.24(b)(4); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) \_\_\_\_ F. Supp. \_\_\_\_; Waiver Letter WFS-100:FS-10-6-CA, dated October 2, 1990, U.S.D.A., Food and Consumer Services; Administrative Notice No. 89-12, No. 92-23, dated February 20, 1992, No. 94-39, and No. 94-65; Public Law (P.L.) 100-435, Section 351, and P.L. 101-624, Section 1717; [7 United States Code (U.S.C.) 2012, 2014(e), and 2017(c)(2)(B)]; 7 U.S.C. 2015(d)(1); 8 U.S.C. 1631, P.L. 104-193, Sections 115, 815, 821, 827 and 829 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Food Stamp Policy Memos 82-9 dated December 8, 1981, and 88-4 dated November 13, 1987, Federal Register, Vol. 66, No. 229, dated November 28, 2001, USDA FNS AN 03-23, dated May 1, 2003; and Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

<b>63-504</b>	<b>HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY</b>	<b>63-504</b>
	(Continued)	

.88 Photo ID Card Waivers

- .881 One or more of the minimum photo ID requirements in Section 63-504.84 may be waived for any CWD that can demonstrate that its alternate ID card or system will provide adequate safeguards against fraudulent and duplicate issuances.
- .882 In counties where photo ID cards are mandated, and a waiver is desired, the CWD shall request a waiver from FNS through SDSS. Decisions on the granting of waivers will be made on a case-by-case basis.

NOTE: Authority cited: Sections 10553, 10554, 10604, 11265.1, .2, and .3, 11369, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18901.6, 18904, and 18910, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 271.2; proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(8)(i); (f) (8)(i)(A) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (f)(8)(ii), (h), and (h)(1)(i)(D), 7 CFR 273.2(j)(3) and (4); 7 CFR 273.8(b); 7 CFR 273.9(d)(6)(iii)(F), 7 CFR 273.10(d)(4), (f), (g)(1)(i) and (ii); 7 CFR 273.12(a)(1)(i)(A), (a)(1)(i)(B), and (a)(1)(i)(C)(2); proposed 7 CFR 273.12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and (c); 7 CFR 273.12(e)(1), (e)(2), and (e)(4); 7 CFR 273.13(a)(2); 7 CFR 273.13(b)(1); 7 CFR 273.14; 7 CFR 273.14(b)(3) and (e); 7 CFR 273.18(e)(6)(ii); 7 CFR 273.21(e)(1), (f)(1)(iii), (f)(1)(iv)(B), (f)(2)(v), (h)(2)(iv), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3)(ii), (i), (j), (j)(1)(vi), (j)(1)(vii)(A) and (r), (j)(2)(iii), (j)(3)(ii), (j)(3)(iii)(B), (j)(3)(iii)(C), and proposed (j)(3)(iii)(E) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 274.10; Public Law (P.L.) 100-435, Section 351, P.L. 101-624, and P.L. 103-66; Section 1717, [7 U.S.C. 2014(e)]; 7 U.S.C. 2014(d)(7), 2017(c)(2)(B) and 2020(s); U.S.D.A. Food and Consumer Services, Administrative Notices 94-39 and 97-50; P.L. 104-193, Sections 801, 807 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003; Federal Administrative Notice 97-99, dated August 12, 1997; and United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) Administrative Notice (AN) 03-23, dated May 1, 2003.

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<b>63-505</b>	<b>HOUSEHOLD RESPONSIBILITIES (Continued)</b>	<b>63-505</b>
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- (c) If the household voluntarily reports a change in its medical expenses, the CWD shall verify the change as specified in Section 63-504.421 before acting on it if the change increases the household's allotment. In the case of a reported change that decreases the household's allotment, or makes the household ineligible, the CWD shall act on the change without requiring verification, although verification which is required as specified in Section 63-504.421 shall be obtained prior to the household's recertification.
  - (d) Utility costs which entitle the household to the standard utility allowance (SUA), when first allowed and when the household moves.
  - (e) Utility costs, if the household is claiming actual expenses, when first allowed as a deduction and when the household moves;
  - (f) Residency as defined in Section 63-401 when there is a change, except for categorically eligible households.
  - (g) Social Security Number, except for PA categorically eligible households;
  - (h) Section 63-505.41(h)(MR) shall become inoperative and Section 63-505.41(h)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
  - (MR) Actual cost of doing business expenses, if self-employed, with each CA 7.
  - (QR) Actual cost of doing business expenses, if self employed, with each QR 7.
  - (i) Changes in the legal obligation to pay child support and/or an increase in the amount of the child support payments.
- .5 Section 63-505.5(MR) shall become inoperative and 63-505.5(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Reporting Changes for Households Excluded from Monthly Reporting Requirements

(QR) Reporting Changes for Households Excluded from Quarterly Reporting Requirements

.51 Household Responsibility to Report

The CWD shall not impose any food stamp reporting requirements on nonmonthly reporting households except as provided in Sections 63-505.511 through .518. Certified households shall report the following changes in circumstances:

<b>63-505</b>	<b>HOUSEHOLD RESPONSIBILITIES (Continued)</b>	<b>63-505</b>
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- .511 Changes in the sources of income, including starting or stopping a job or changing jobs, if the change is accompanied by a change in income. In addition, changes in the amount of earned income of more than \$100 per month since the last time the household's allotment was calculated. Such earned income households can be certified for no more than six months.
- .512 Changes in the amount of unearned income of more than \$50.
  - (a) Changes in the public assistance or the general assistance grant are not required to be reported. Since the CWD has prior knowledge of all changes in these grants, action shall be taken on the CWD information. However, if general assistance and food stamp cases are not jointly processed, the household is responsible for reporting changes of more than \$50.
  - (b) Households are not required to report changes in income that result from Social Security COLAs.
- .513 All changes in household composition, such as the addition or loss of a household member;
- .514 Changes in residence and the resulting change in shelter expenses;
- .515 The acquisition of a licensed vehicle not fully excludable under Section 63-501.
- .516 When cash on hand, stocks, bonds and money in a checking or savings account reach or exceed the maximum resource eligibility standard as specified in Section 63-409.12.
- .517 A change in the amount of child support payments made to a nonhousehold member as specified in Section 63-502.37, and/or a change in the legal obligation to pay child support.